



# STATE OF CONNECTICUT

## PUBLIC UTILITIES REGULATORY AUTHORITY

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John W. Betkoski III, Vice Chairman  
Michael A. Caron, Commissioner

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Public Hearing – February 26, 2019  
Energy and Technology Committee

**Testimony presented by John W. Betkoski, III, Acting Chair, Public Utilities Regulatory Authority (PURA) and Michael Caron, Acting Vice-Chair, PURA**

#### **Raised H.B. 7155 – An Act Concerning Consumer Protections and Electric Suppliers**

PURA appreciates the Committee's willingness to raise this bill at the request of PURA and we welcome the opportunity to offer the following testimony in **support** of the bill.

#### **Marketing Standards**

PURA has investigated and is currently investigating multiple instances of electric suppliers employing deceptive marketing tactics. Contrary to suppliers' claims, this appears to PURA to be a pervasive problem across many suppliers. PURA's investigations have illustrated that many residential customers do not understand the purpose of the marketing calls, they do not understand that at the end of a marketing call they have signed up for service with a supplier, and they do not understand that this service was not required by their electric distribution company. PURA has found that the order in which information is presented to and requested from customers during a marketing call greatly impacts the customer's understanding of the transaction.

As a result, PURA proposes updates and additions to the marketing standards set forth in Conn. Gen. Stat. § 16-245o to ensure customers engaging with and completing the marketing calls realize they are contracting with a supplier at the end of the marketing encounter, that contracting with a supplier is not required, and that a supplier is not a part of the customer's electric distribution company.

Furthermore, PURA proposes requirements regarding the recording of marketing calls or face-to-face conversations to ensure they meet statutory requirements. At present, Connecticut statutes do not require suppliers to record their marketing calls or conversations. Submission of marketing recordings would greatly aid PURA staff in investigating complaints and would reduce the time needed for complaint resolution.

PURA's investigations have illustrated that marketers remain on the phone or remain present during the third-party verification process and instruct the customer how to answer the third-party verification questions. This practice undermines the purpose of a truly independent third-party verification process and PURA proposes to require marketers to disengage with the customer when the third-party verification begins.

PURA proposes requirements that each electric supplier must conduct criminal background checks on persons conducting door-to-door marketing on the supplier's behalf to ensure the safety of Connecticut residents.

PURA's investigations have uncovered that suppliers delay submitting enrollments, which affects a customer's billing price. To prevent delays, PURA proposes requirements that suppliers must submit enrollments to the electric distribution companies within five calendar days of the customer consenting to enroll.

PURA recognizes there are suppliers who abide by these protections now, but PURA has encountered many others whose marketing raises concerns. While a pervasive action does not implicate every actor, this type of marketing implicates the entire market. PURA hopes those suppliers who are good actors welcome these changes to bring others up to their standards.

### **Restitution**

A recent Superior Court decision held that PURA does not possess the statutory authority required to provide financial restitution to utility customers. This proposal would give PURA the option to provide restitution to customers, in addition to civil penalties currently provided for in 16-41. The proposal does not change the aggregate dollar cap currently in the statute for 16-41 fines.

Based on PURA's experience with assessing civil penalties under 16-41, consumers would benefit from an amendment to 16-41 to provide for a remedy of restitution to cover financial losses that customers have suffered.

Unfortunately, at present, a customer cannot be made whole as a result of a PURA decision.

### **Assignment of Customers**

At present, Conn. Gen. Stat. § 16-245 is unclear regarding the reporting requirements when an electric supplier assigns all or a portion of its customers to another supplier (Section 16-245(i) requires notice for changes in corporate structure and scope of service; Section 16-245(j) requires approval for transfers of licenses). As a result, PURA has encountered instances of suppliers assigning all of their customers but maintaining their licenses to avoid the approval requirements of 16-245(j).

The proposed legislation would amend Conn. Gen. Stat. § 16-245 to require the electric supplier to request approval to assign customers to another electric supplier before any customer re-assignments occur, which would allow PURA to ensure that customers are not assigned to suppliers subject to large and/or multiple investigations, or are not assigned as a means of avoiding penalties.

We appreciate the Committee's willingness to raise this bill regarding consumer protections and electric suppliers, and we **strongly support** the bill's intent.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact Nick Neeley at 860-827-2625 or [Nicholas.Neeley@ct.gov](mailto:Nicholas.Neeley@ct.gov).